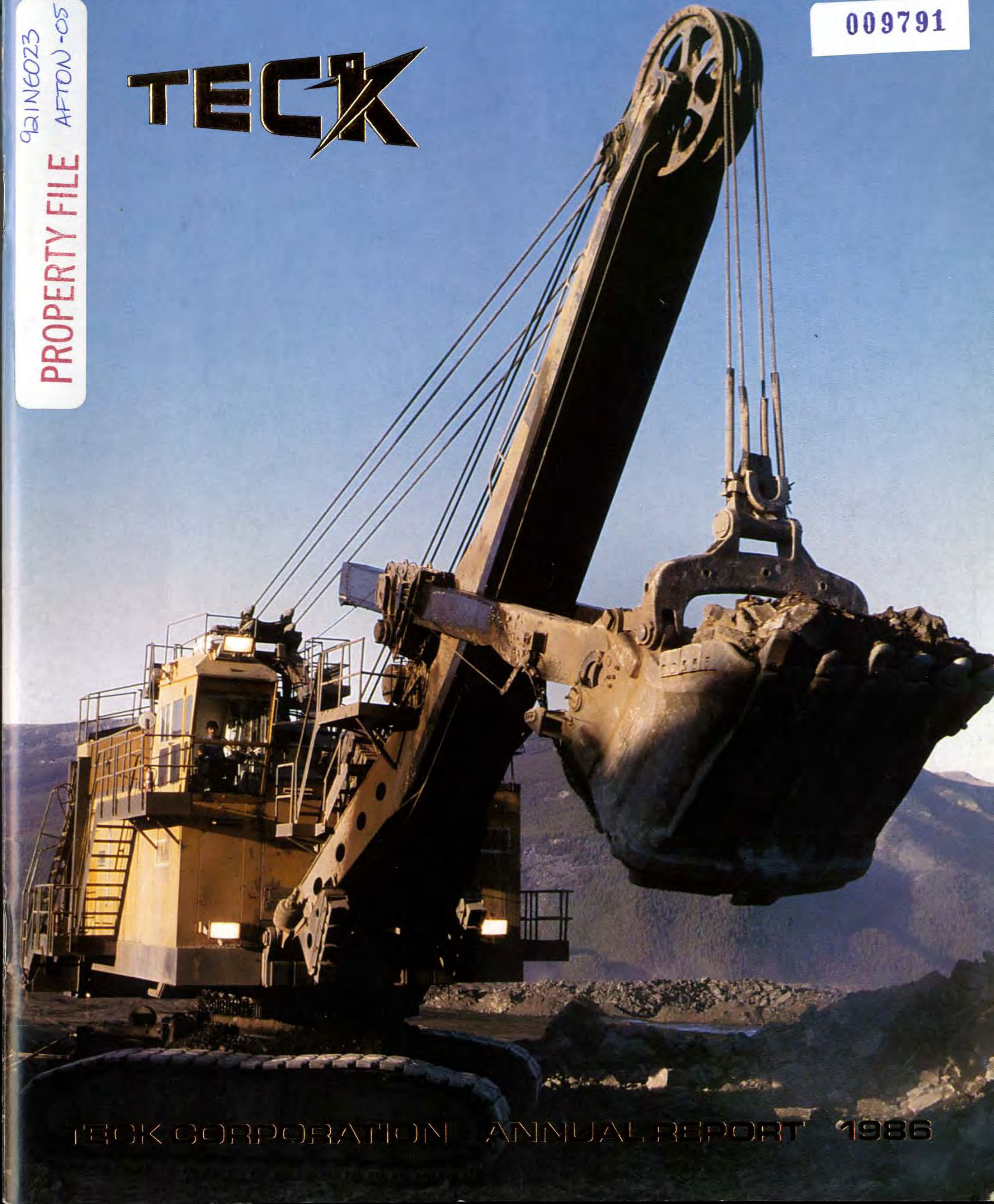
TECK



TECK CORPORATION ANNUAL REPORT 1986

Cover
15 cubic yard shovel at the Bullmoose coal mine.

Annual Meeting
The annual meeting of the Shareholders will be held at 10:00 a.m., January 19, 1987 in the Arbutus Room of the Four Seasons Hotel in Vancouver, British Columbia.

Contents

The Company

Teck Corporation is engaged in the exploration, development and production of minerals and petroleum products. The company's Canadian mining operations produce coal, copper, zinc, gold, silver and niobium, and its petroleum properties produce oil and natural gas. It holds substantial share interests in Lornex Mining Corporation Ltd., a Canadian copper, molybdenum and coal producer; Trilogy Resource Corporation, a petroleum company; and Cominco Ltd., a major worldwide integrated natural resources company whose activities include mining of zinc, lead, silver, gold and copper, smelting and refining, mineral exploration, and chemical and fertilizer production.

PRINCIPAL HOLDINGS

Operations

†Lamaque (Quebec)	100%	Gold
Beaverdell (B.C.)	100%	Silver
Afton (B.C.)	73%	Copper / Gold
†Newfoundland Zinc	63%	Zinc
Granville Yukon	60%	Gold
Bullmoose (B.C.)	51%	Coal
Teck-Corona (Ontario)	50%	Gold
Niobec (Quebec)	50%	Niobium
†Highmont (B.C.)	50%	Copper / Molybdenum
Petroleum Division	100%	Oil / Gas

† suspended

Investments

Lornex Mining Corporation Ltd.	22%
Golden Knight Resources Inc.	30%
Trilogy Resource Corporation	30%
Nunachiaq Inc. (which holds 31% of Cominco Ltd.)	50%
Highland Crow Resources Ltd.	13%
Consolidated Silver Standard Mines Limited	32%

YEAR AT A GLANCE

(dollar amounts in thousands except for per share data)

	1986	1985
Revenue	**185,249**	217,940
Earnings before extraordinary items	**23,270**	16,064
Working capital	**76,244**	70,522
Total assets	**512,131**	489,292
Long-term debt	**100,223**	109,326
Shareholders' equity	**343,443**	326,775
Long-term debt as a percentage of shareholders' equity	**29%**	33%
Capital expenditures	**52,754**	46,859
Cash flow from operations	**56,775**	55,914
Per share data (1)		
Earnings before extraordinary items	**$0.42**	$0.30
Cash flow	**$1.86**	$1.89
Dividends	**$0.175**	$0.15
Number of employees	**1,220**	1,475
Number of shareholders (1)	**9,206**	10,775
Shares outstanding at year-end (1)	**30,869,219**	30,182,472

(1) Class A common and Class B shares.

Board of Directors

Front Row L to R: R.E. Hallbauer, N.B. Keevil Jr., N.B. Keevil, Rt. Hon. D.R. Michener, D.A. Thompson; Back Row L to R: R.J. Wright, R.G. Duthie, K.E. Steeves, C.F. Kaiser, J.H. Westell, Sir M. Butler, H. Schimmelbusch, D. Natus, K. Zeitler, I.F. Rushbrook, Corporate Secretary R.F. Mossman.

To the Shareholders:

Norman B. Keevil Jr., President and Chief Executive Officer.

Highlights of the year were

- Cash flow and earnings the second highest in the company's history.
- The Supreme Court of Ontario Judgement on the Williams property at Hemlo.
- Agreement to acquire a controlling interest in Cominco Ltd., completed after the year end.
- Financing of that acquisition out of cash reserves and a subsequent equity issue, maintaining the strong balance sheet.

Cash flow from operations was $56.8 million or $1.86 per share, compared to $55.9 million or $1.89 per share a year earlier. This is second only to $71.9 million in 1980, when metal prices were considerably higher.

Net earnings after extraordinary items were up from $16.1 million to $24 million or, after deducting preferred share dividends, from $0.30 to $0.44 per share.

Combined mine operating profit was $56.6 million, compared with $61 million a year earlier. Petroleum operating profit was $8.2 million, compared with $9.6 million, with new gas production partially offsetting the effect of lower oil and gas prices.

Bullmoose, Afton, Lornex and Niobec were all profitable. Beaverdell silver was approximately breakeven, while Newfoundland Zinc reported a loss due to low zinc prices and has been shut down since April. Prices have improved since then and consideration is being given to re-opening this mine.

HEMLO

The Teck-Corona gold mine at Hemlo is not included in earnings as yet pending completion of the preproduction underground development programme. Workings have now reached the lower levels and the mine should be up to rated capacity of 1,000 tonnes per day by the end of the current quarter, after which this mine should be a significant ongoing income source.

The mine has been named the David Bell Mine, in recognition of Corona's geologist who discovered the Hemlo orebody in 1981.

On March 7, the Supreme Court of Ontario granted the adjoining Williams property to International Corona Resources, on payment of $154 million to Lac Minerals to account for improvements. The Judgement is being appealed by Lac Minerals. If it is upheld, Teck and Corona will own and operate the Williams mine as a 50:50 joint venture.

Following the Judgement, Teck agreed to sell Corona 5 percentage points of its interest in the David Bell (Teck-Corona) mine for $15 million in payments out of proceeds of production, 300,000 Corona shares, and assumption of a pro rata portion of the project debt, bringing the interests in the two mines to the same 50:50 level.

COMINCO

In September, a group led by Teck agreed to buy a controlling interest in Cominco Ltd. from Canadian Pacific. Following the year end a holding company formed by Teck (50%), MIM Holdings of Australia (25%), and Metallgesellschaft of West Germany (25%) purchased 20 million Cominco shares for $205 million in cash and a four year note for $75 million. In addition, CP agreed to convert a $75 million loan to Cominco to preferred shares in that company, as a contribution to improvement of its balance sheet.

Cominco operates the largest zinc refinery in the world at Trail, British Columbia, has several zinc mines, a chemical and fertilizer division, a specialty metals division, and has three major orebodies in the development stage: Valley Copper, the Red Dog zinc deposit in Alaska, and the Hellyer zinc deposit in Australia.

Robert Hallbauer, Senior Vice President of Teck, has been appointed President and Chief Executive Officer of Cominco.

Teck's share of the purchase was funded by cash on hand and the proceeds of a public issue in Europe and Canada, completed within a month of the purchase, for no net increase in the company's borrowings.

LORNEX

Effective July 1, Lornex and Cominco agreed to merge their interests in the Highland Valley area of British Columbia into a partnership. The combination of Cominco's large Valley Copper orebody and Lornex's 90,000 tonnes per day of milling capacity results in an efficient, low cost operation that is profitable even at present metal prices. Lornex received 45% of the partnership and Cominco 55%.

The partnership has approached Teck to consider utilization of the nearby Highmont mill for the same purpose, which would increase production and lower unit costs. Discussions are in progress.

GOLDEN KNIGHT

During the year, Teck acquired a controlling interest in Golden Knight Resources Inc., which holds a 40% joint venture interest in a Casa Berardi gold property managed by Inco. A feasibility study is in progress and a production decision may be made this year.

STRATEGY AND OUTLOOK

Since getting our own balance sheet in good shape, Teck's strategy has been to augment our existing production base by acquiring or developing new, long-life and low-cost mining operations. In the process we have looked at and rejected a large number of producing operations that were available, both in Canada and elsewhere.

The two Hemlo mines represent one step towards this objective. The Cominco acquisition is another, bringing in as it does Valley Copper, Red Dog and Hellyer — in addition to its established operations. It is consistent with our role as a developer, in that a major attraction was the new mines that can be developed sequentially over the next few years.

The acquisition brings control of better orebodies and at a better price than any of the direct asset purchases

One of two coal stacker-reclaimers at the Ridley Island coal port, Prince Rupert, British Columbia.

Norman B. Keevil, Chairman of the Board and Executive Committee, with Norman B. Keevil Jr., President and Chief Executive Officer.

that have been investigated in the last couple of years.

The "partnership" of Teck, MIM and Metallgesellschaft is one that we hope will grow with other joint activities over the years. It is designed to take advantage of international opportunities, something that will be increasingly important to Canadians in the future in a shrinking world.

We appreciate the confidence shown in Teck by Sir Bruce Watson of MIM and Dr. Dietrich Natus of Metallgesellschaft and all of their associates who worked on this project with us.

Even with our cash flow the second highest in our history and our balance sheet in good shape, this is not enough. We need to continue to improve earnings per share and return on shareholders' equity. These are key measures of performance, but in today's times of low commodity prices, which may well not turn around overnight, the appropriate strategy is clear: be in a strong financial and operating condition, and be positioned to take advantage of more normal times when they recur through orebodies and assets of excellence.

With a major position in gold and a strategic position in zinc, two of the more interesting metals of the day, as well as holdings in coal, copper, silver, niobium and petroleum, — and with a position on both the cost and longevity curves which is improving each year, — your company is continuing to grow even though market conditions in our industry have been less than optimum in the last few years.

APPRECIATION

For this I would like to thank a dedicated staff who at all levels have taken pride in Teck and helped in what we are trying to do.

I would also like to express personal appreciation to the members of the board of directors who contribute so much in the way of ideas and inspiration, including those representing large shareholders such as Metallgesellschaft, MIM and Atlantic Assets as well as the independent directors.

Ross Duthie has been a valued advisor and director of Teck since 1981. He has also been a director and member of the Executive Committee of Cominco as well. With the recent purchase of Cominco he has resigned from the Teck board so that he can continue to serve as an independent director of Cominco. We would like to express our appreciation for his advice, which will continue to be important through Cominco.

Mr. William R. Bennett has been elected to replace Mr. Duthie. Mr. Bennett has already had two careers, as a successful businessman and as a strong Premier of the Province of British Columbia, and we look forward to his contribution to the continued growth and effectiveness of the company in the coming years.

On behalf of the Board,

N.B. Keevil Jr.
President and Chief Executive Officer


12

Mining Operations

Teck's share of mine operating profit in the fiscal year was $57 million compared to $61 million last year and $36 million in 1984. The reduction is due primarily to low zinc prices which resulted in the closure of Newfoundland Zinc.

Net earnings from mining after tax but before exploration expenses were $12.1 million compared to $10.5 million last year and a net loss of $3.1 million in 1984. All figures exclude earnings from Lornex.

AFTON (Copper, Gold) 92INE023 (10E)

The Afton copper mine located at Kamloops, B.C. is a partnership between Teck (73%) and an affiliate of Metallgesellschaft Canada Limited.

Afton produced 48.2 million pounds of copper, 58,330 ounces of gold and 315,000 ounces of silver during the past year. The average mill throughput was 8,135 tons per day at an average grade of 0.94% copper. Although the copper grade was down slightly from last year, both gold and silver production were considerably higher.

Open pit reserves in the main Afton ore body will be exhausted about mid-summer, 1987 and mining will then move to the Pothook Zone, to the southeast. At current copper prices it is expected that mining can be carried on in the Pothook Zone for an additional year.

Subsequent to the year end, an agreement with Cominco was concluded on the Ajax copper and gold property which is approximately six miles from the Afton plant. Although lower grade, this deposit has the potential to prolong the life of Afton for several years. A diamond drill programme will be initiated early in the year as soon as assurances are received that government permits for mining in this area will be available.

Ore reserves at year end were 2,217,000 tons grading 1.0% copper and 0.018 ounces per ton gold in the original open pit; 3,769,000 tons at 0.30% copper in the low grade stockpile; 2,300,000 tons at 0.39% copper and 0.017 ounces per ton gold in the Pothook open pit.

Underground geological reserves remain at 10,500,000 tons at 1.5% copper and 0.03 ounces per ton gold, which is submarginal under present economic conditions.

BEAVERDELL (Silver) 82ESW030

The Beaverdell mine is located 40 miles south of Kelowna, British Columbia. It first produced ore in 1898 and has been in continuous production since 1900.

Despite silver production of 348,000 ounces compared to 336,000 ounces last year, Beaverdell operated at a loss due to low silver prices. The average price received for silver in 1986 was $7.55 per ounce compared to $8.81 in 1985 and $11.18 in 1984.

An exploration programme has been carried out in conjunction with a B.C. Government financial assistance programme in an effort to delineate higher grade silver ore and locate additional reserves of gold ore in the lower levels of the mine. Results of this programme will be available about mid year and the future of the operation will be re-assessed.

BULLMOOSE (Coal) 93P001 (3W 4E)

The Bullmoose open pit coal mine is located 20 miles northwest of Tumbler Ridge in northeastern British Columbia. Ownership is 51% Teck Corporation, 39% Lornex Mining Corporation and 10% Nissho Iwai Canada Limited. Teck has a 22% share interest in Lornex making the company's net interest in Bullmoose 59.5%.

Metallurgical coal shipments to nine Japanese buyers began in January of 1984 and by September 30, 1986 have totalled almost 5.2 million tonnes. Coal is sold under long term contracts totalling 1.7 million tonnes

R.E. Hallbauer, Senior Vice President.

per year, plus or minus 5% at the buyer's option.

An agreement was reached with the buyers for a $9 per tonne price reduction for the 1986 coal year commencing April 1, 1986. This resulted in an average price for Bullmoose coal of $95.00 per tonne for the first three quarters of the 1986 coal year.

Both the plant and the mine are capable of producing at an annual rate of 2.3 million tonnes and efforts to sell thermal coal were made, but current world prices are such that no financial advantage could be gained by increased production rates.

Coal in six seams ranging in thickness from 1.5 to 4.5 metres is mined using hydraulic excavators with little or no blasting required. A standard fleet of drills, shovels and trucks is used to move waste. Since mining began in 1983, over 40 million bank cubic metres (bcm) of waste have been moved (approximately 100 million tonnes).

During the fiscal year 13.3 million bcm of waste were moved and 2.7 million tonnes of coal were delivered to the wash plant. The plant produced

Underground drilling in the Niobec mine near Chicoutimi, Quebec.

almost 1.9 million tonnes of clean coal. Trucking, rail transport and port operations were all normal during the year.

At fiscal year end, production levels were at the 1.7 million tonnes per year rate, and there were 422 employees on site. Reserves of saleable metallurgical coal were 49 million tonnes.

HEMLO (Gold)

David Bell Mine

Teck has a 50% joint venture interest in the David Bell (Teck-Corona) gold mine near Marathon, Ontario. The remaining joint venture interest is held by International Corona Resources, the discoverer of the Hemlo gold camp.

Development of the underground mine continued throughout the year. The shaft was completed to a depth of 3,816 feet in December, 1985 and work on ore passes, ventilation raises, lower production levels and underground crushing facilities is ongoing. Development work is currently being concentrated on No. 10 level which is the main haulage level, and on No. 7 level which will be the main production level. These levels will be complete during the second quarter of the next fiscal year and stope development on the higher grade west end of the property will start.

M.P. Lipkewich, General Manager of Metal Operations.

Ongoing mine development expenditures are being financed partly from operating profits and partly under the financing line of credit.

Ore production during the current year was from cut and fill mining on the upper three levels, with the average mill throughput being 556 tonnes per day. During the first quarter of the next fiscal year this production will be supplemented by development ore from the 7th level, and mill throughput will be increased towards its rated capacity of 1,000 tonnes per day.

To September 30, 1986, 202,942 tonnes were milled with a grade of 0.27 ounces per tonne and recovery of 96% for production of 52,888 ounces of gold.

In addition to the main operation, Teck and Corona share a 50% net profits royalty interest in a quarter claim optioned to the Noranda group which has developed an adjoining property. To September 30, Noranda milled 59,751 tonnes with a grade of 0.23 ounces per tonne and recovery of 95% to produce 13,224 ounces of gold. Teck received $163,000 in net profits from the quarter claim and a $1,137,500 payment from Noranda for sterilization of ore reserves in the Noranda shaft pillar.

Mineable reserves at year end were 6,100,000 tonnes grading 0.36 ounces per tonne. In addition, the quarter claim geological reserves are 2,100,000 tonnes grading 0.40 ounces per tonne.

Williams Mine

The Williams property is a group of claims immediately west of the Teck-Corona property. The Hemlo orebody crosses onto this property, which contains reserves of at least 47 million tonnes grading .20 ounces of gold per tonne.

The property will become part of the Teck-Corona joint venture under a Supreme Court of Ontario Judgement made during the year, on payment of $154 million to cover mine and mill construction costs incurred prior to the Judgement. This ruling is being appealed, and in the meantime results from the operation (presently producing at 3,000 tonnes per day) are not included in Teck's and Corona's financial reports.

HIGHLAND VALLEY (Copper)

Teck operated a 25,000 tons per day copper, molybdenum mine and mill in the Highland Valley District of British Columbia from 1981 through 1984, before shutting down because of a severe drop in molybdenum prices. Teck owns 50% of the project.

Teck also holds a 22% share interest in Lornex Mining Corporation, which operated a 75,000 tonnes per day mill on a nearby copper, molybdenum property.

With the fall in molybdenum prices and continued low copper prices, it became evident that the best use of Highmont and Lornex milling facilities would be to combine them with the nearby Valley Copper orebody, held by Cominco, which has a higher copper grade and contains only nominal molybdenum.

Lornex and Cominco reached such an arrangement during the year, and have been operating as a 45:55 partnership since July 1. The Valley Copper orebody is now being developed to supply 100% of Lornex's mill capacity, although at present the mill is being fed from both orebodies.

About that time Lornex and Cominco approached Teck to add the Highmont mill to the combined package, and negotiations are in progress. With the softer Valley Copper ore, it is expected that the Highmont mill would have a capacity in the order of 40,000 tonnes per day, with minor modifications to its circuitry.

With the combination of these existing mills and the Valley Copper ore, production costs per pound of copper are expected to be well within the lower quartile of world costs for many years.

LAMAQUE (Gold)

After the closure in February 1985 the principal activities at the Lamaque mine in Val d'Or, Quebec have been the clean-up and processing of material remaining at the site, using contractors. Lamaque's share of the clean-up production was 1,515 ounces of gold, which, added to substantial assaying and rental revenues, produced a total revenue of \$1,043,000. Operating costs of \$1,255,000 resulted in an operating loss of \$213,000 for the year.

Ore reserves at the time of closure were calculated at 352,000 tons grading 0.148 ounces of gold per ton.

As outlined in the Mining Exploration section of this report, two agreements have been completed with other companies for the funding of exploration projects on the property.

Both the mine and mill have been maintained in readiness for further development and potential custom milling.

NEWFOUNDLAND ZINC

The Newfoundland Zinc mine near Daniel's Harbour is a joint venture in which Teck holds a 63% interest, with the remainder being held by Amax Lead and Zinc Inc.

With the drop in the price of zinc and declining ore grades, the operation was closed on 14th April 1986. During the period of operation this year, 202,700 tons grading 6.6% zinc were milled to produce 26,174,000 pounds of zinc.

The mine is being maintained so that operations may be resumed when zinc prices improve. The major expense during the shut down has been for electric power to keep the mine pumped out. A decision on when to reopen the mine will depend on dicussions with the Newfoundland government and the union representing the mine employees.

NIOBEC (Niobium)

Niobec, a niobium mine near Chicoutimi, Quebec, completed its tenth successful year of operation this year. The mine was explored and developed as a joint venture with Soquem Ltée, producing its first pyrochlore concentrate in 1976.

This year Soquem spun off many of its mining assets to a new company, Cambior Inc., and the mine is now a 50:50 joint venture between Teck and Cambior.

The concentrator treated 846,389 tons (2,384 tons per day) to produce 7,541,000 pounds of niobium oxide. Head grade was 0.715% Nb_2O_5 and recovery was 62.3%, slightly higher than the previous two years.

Ore reserves at year end were 12,230,000 tons at 0.66% Nb_2O_5, compared with 12,062,000 tons grading 0.66% Nb_2O_5 a year earlier.

GRANVILLE (Gold)

The Granville Joint Venture (Teck 60%) operates a placer gold mine near Dawson City in the Yukon Territory. The project is a seasonal one, operating only in the summer months.

During the year 116,000 cubic yards of paygravel were sluiced to produce 4,023 ounces of gold. Teck's share of royalty and operating profit was \$491,000.

Mining on Sulphur Creek was completed and the camp was moved to Gold Run Creek where mining will be started next season.

R. Drozd, Vice President-Coal Operations, with J.M. Anderson, General Manager of the Hemlo and Granville Joint Ventures.

Underground in the David Bell gold mine at Hemlo, Ontario.

MINE OPERATING STATISTICS

	AFTON COPPER, GOLD		NEWFOUNDLAND ZINC ZINC		LAMAQUE GOLD		BULLMOOSE COAL	
	1986	1985	**1986(B)**	1985	**1986**	1985(C)	**1986**	1985
Tons Milled	**2,969,389**	2,922,538	**202,723**	549,353	**–**	166,727	**2,721,000(MT)**	2,904,000(MT)
Tons Per Day	**8,135**	8,007	**1,126**	1,561	**–**	813	**7,455(MT)**	7,956(MT)
Grade (% or oz/ton)	**0.94**	0.98	**6.6**	8.3	**–**	0.190		
Recovery (%)	**86.44**	86.33	**97.8**	97.2	**–**	96.72	**70**	75
Production:								
Coal (MT)							**1,894,798**	2,172,720
Copper (lbs.)	**48,178,026**	49,307,444						
Gold (oz.)	**58,330**	48,559			**1.515**	30,583		
Zinc (lbs.)			**26,174,778**	88,012,448				
Silver (oz.)	**315,003**	305,070						
Molybdenum (lbs.)								
Niobium Oxide (lbs.)								
Operating Cost Per Ton ($)	**7.41**	8.72	**39.00**	27.35	**–**	62.85	**–**	–
Average Price Main Product (Can. $)	**0.86 Cu.**	0.84 Cu.	**0.44**	0.51	**–**	426.88	**–**	–
Ore Reserves (tons)								
Open Pit	**(A) 8,286,000**	9,212,000					**(D) 49,000,000(MT)**	(D) 51,000,000(MT)
Grade (% or oz.)	**0.52 Cu.**	0.69 Cu.						
	0.012 Au.	0.013 Au.						
Underground	**10,500,000**	10,500,000	**815,000**	1,100,000	**352,000**	352,000		
Grade (% or oz.)	**1.50 Cu.**	1.50 Cu.	**7.90**	7.70	**0.148**	0.148		
	0.03 Au.	0.03 Au.						
Teck's interest — %	**73.19**	73.19	**63.44**	63.44	**100**	100	**51**	51
Teck's share of net earnings (loss)	**7,814,000**	4,910,000	**(1,622,000)**	2,456,000	**–**	48,000	**6,124,000**	6,555,000

(A) Reserves include low grade stockpiles and the Pothook deposit.

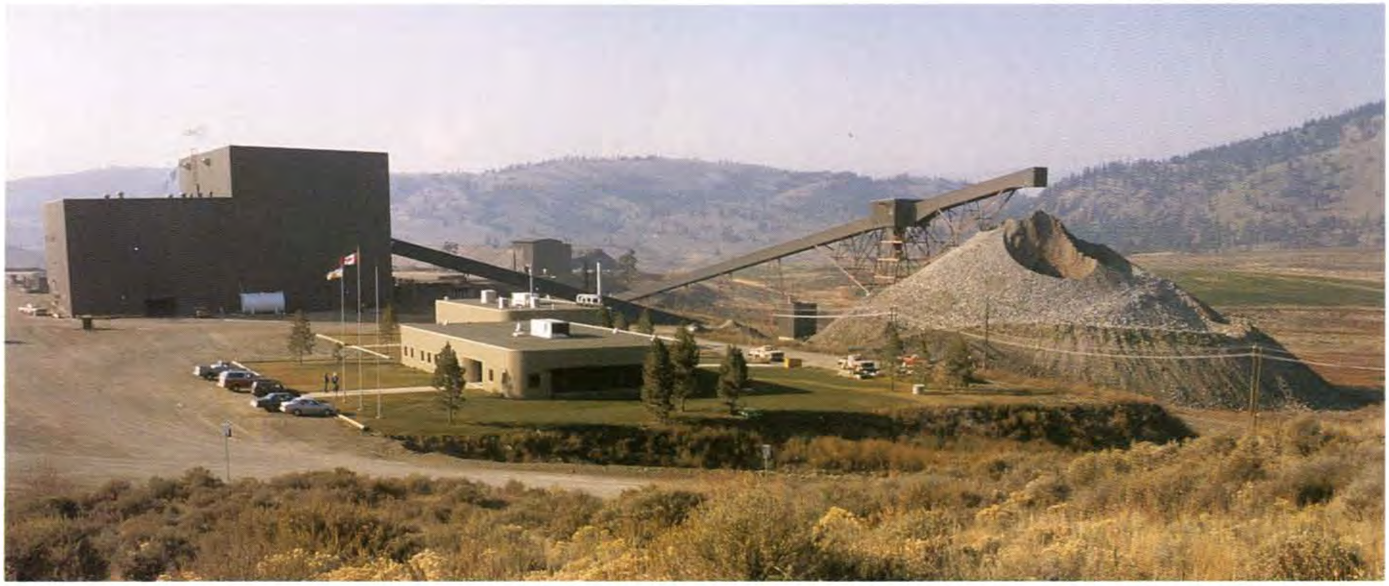
(B) Operations were suspended in April, 1986.

(C) Operations were suspended in March, 1985.

(D) Saleable coal

(MT) = Metric Tonne

(TON) = Short Ton



Afton plant site at Kamloops, British Columbia, showing the administration building (foreground), coarse ore stockpile and the concentrator.

MINE OPERATING STATISTICS

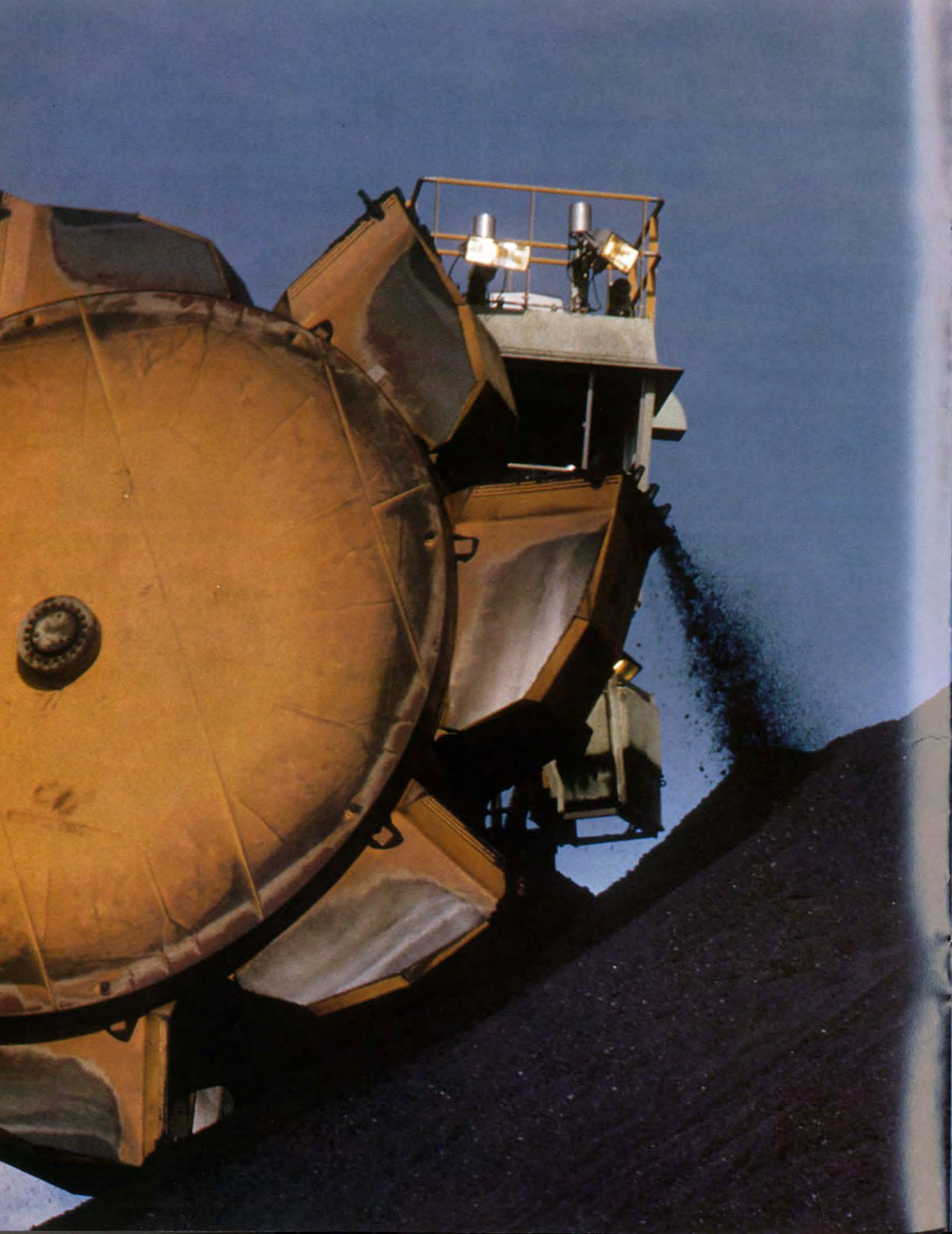
	BEAVERDELL SILVER		NIOBEC NIOBIUM OXIDE		HEMLO GOLD		LORNEX COPPER, MOLYBDENUM	
	1986	1985	**1986**	1985	**1986**	1985	**1986(G)**	1985
Tons Milled	**36,714**	41,105	**846,389**	745,724	**202,942(MT)**	97,801(MT)	**29,031,000**	32,149,000
Tons Per Day	**113**	115	**2,384**	2,382	**556(MT)**	670(MT)	**79,537**	88,087
Grade (% or oz/ton)	**10.58**	9.28	**0.72**	0.70	**0.271 oz./MT**	0.224 oz./MT	**0.379 Cu.** **0.017 Mo.**	0.385 Cu. 0.016 Mo.
Recovery (%)	**89.67**	88.20	**62.27**	61.71	**96**	96	– –	87.17 Cu. 74.05 Mo.
Production:								
Coal (MT)								
Copper (lbs.)							**186,913,000**	209,097,000
Gold (oz.)					**52,888**	20,989		
Zinc (lbs.)								
Silver (oz.)	**348,311**	336,426					**684,000**	777,000
Molybdenum (lbs.)							**7,221,000**	7,678,000
Niobium Oxide (lbs.)			**7,540,779**	6,442,859				
Operating Cost Per Ton ($)	**62.60**	61.12	–	–	–	–	–	–
Average Price Main Product (Can.$)	**7.55**	8.81	–	–	**493.40**	339.51	–	–
Ore Reserves (tons)								
Open Pit								
Grade (% or oz.)								
Underground			**12,230,000**	12,062,000	**(E)** **6,100,000(MT)**	(E) 6,200,000(MT)		
Grade (% or oz.)			**0.66**	0.66	**0.36 oz./MT**	0.35 oz./MT		
Teck's interest – %	**100**	100	**50**	50	**(F) 50**	55	**22**	22
Teck's share of net earnings (loss)	**(161,000)**	(61,000)	–	–	–	–	**5,313,000**	357,400

(E) Not including quarter claim reserves.

(F) Teck's share was 55% up to April 1, 1986 and 50% thereafter.

(G) Includes 45% share of Highland Valley Copper from July 1, 1986.

(MT) = Metric Tonne



Markets

Teck is a diversified producer of metals and energy materials, including gold, silver, zinc, copper, niobium, coal, oil and natural gas. Through the recent investment in Cominco, we have increased our zinc and copper interests, and added interests in lead and fertilizer chemicals.

For the most part commodity markets have been poor since the 1981 recession. The charts below show the price trends in our major metal products since 1980.

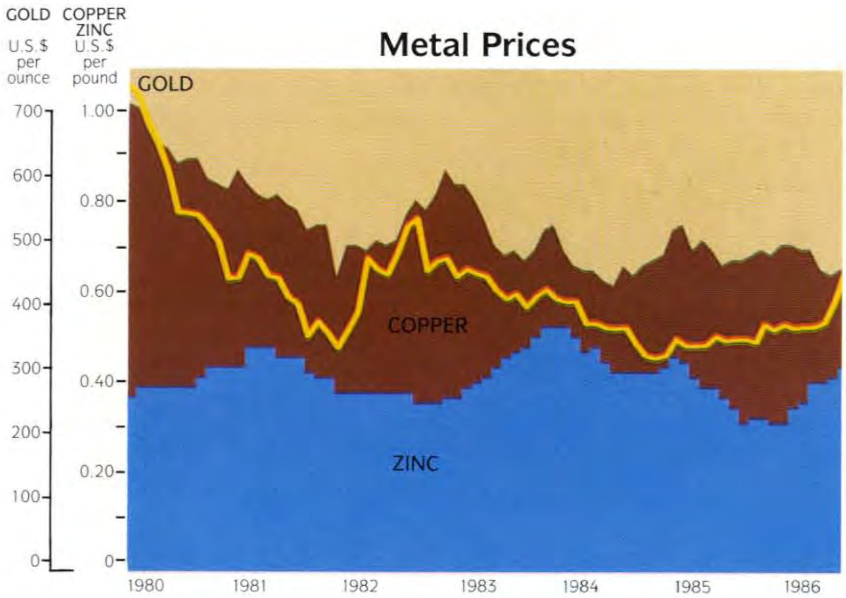
Low prices are the result of a number of factors. Excessive productive capacity developed during the preceding growth years and the unwillingness of some producers to moderate production rates has been a major factor. Downsizing, conservation and programmes to reduce consumers' inventories have contributed to slower growth in demand.

Two years ago the unnaturally high U.S. and Canadian dollars kept prices low in those currencies while they were more satisfactory in most other producer countries whose currencies had depreciated. The major consumer countries did not benefit from the low prices during this period because their currencies had also lost value against the dollar. The recent decline in the value of the dollar has not provided much improvement in the dollar value of commodities, although it has lowered prices in the major consumer countries due to the strengthening of their currencies.

Just as the strong commodity markets of the early and late seventies did not last forever, the current factors causing low prices will not either. The question that can't be predicted is the timing of the change.

Teck, like most other producers, is not in a position to influence markets to any significant extent. For this reason, our strategy during this cycle is to sustain earnings in difficult times through cost and balance sheet control, and at the same time acquire or develop high quality assets which can be competitive now and will be the substantial profit centres of the future.

K.E. Steeves, Vice President-Marketing.



PRICES
GOLD & COPPER — LONDON MONTHLY AVERAGE
ZINC — EUROPEAN PRODUCER

Bucket wheel coal reclaimer at Ridley Terminals Inc. Prince Rupert, British Columbia. Shiploading rate is 6,000 tonnes per hour.

Mining Exploration

W. Meyer and T.W. Spilsbury, Exploration Managers for Teck Explorations, with J.L. May, President (centre).

Teck's exploration activities are primarily in Canada, and to a lesser extent in the western United States and Australia. The company augments its own exploration programmes through joint ventures and development contracts with junior mining companies, Hemlo being a successful example of this kind of project developing into an important mine.

Casa Berardi

Teck now has a 30% interest in Golden Knight Resources which is exploring a promising gold property in the Casa Berardi area of northwestern Quebec. Three separate gold bearing areas have been discovered, with geological reserves to date of 7.2 million tonnes grading 0.25 ounces of gold per tonne.

A 625 metre decline was driven to the 100 metre level this summer to gather information on mining and geological conditions for a feasibility study. This study is now in progress, as is additional surface exploration to define further the Golden Pond West Zone discovered during the year.

A polymetallic discovery was made during the year on the Golden Hope property, 27 km east of Casa Berardi. Three higher grade pods of mineralization within a broad mineralized zone have been indicated to date, containing geological reserves of 2.4 million tonnes grading 0.14 ounces of gold, 3.49 ounces of silver, 7.7% zinc and 0.8% copper. Drilling is continuing in an attempt to expand on these reserves as well as to test the possibilities for Casa Berardi-type gold deposits. Teck is the operator and can earn a 50% interest in the property.

Lamaque

The Lamaque gold mine suspended operations in February, 1985 due to low gold prices and the loss of a custom milling contract which had augmented production from the Lamaque mine itself.

Two exploration agreements have been entered into to provide surface exploration funding on Lamaque's large property. Golden Pond Resources can earn a 50% interest in part of the property by completing 60,000 feet of drilling plus an additional $750,000 in exploration. This programme has identified three new areas of potentially economic gold mineralization.

Tundra Gold Mines can earn a 50% interest in another part of the property by the expenditure of $9 million. Lamaque continues to own 100% of the area encompassing the mine workings as well as the Lamaque mill.

Associated Companies

Highland Crow Resources Ltd. (Teck 13%) is re-exploring the Pickle Crow property in northern Ontario, which produced 1,446,200 ounces of gold from 1935 through 1966.

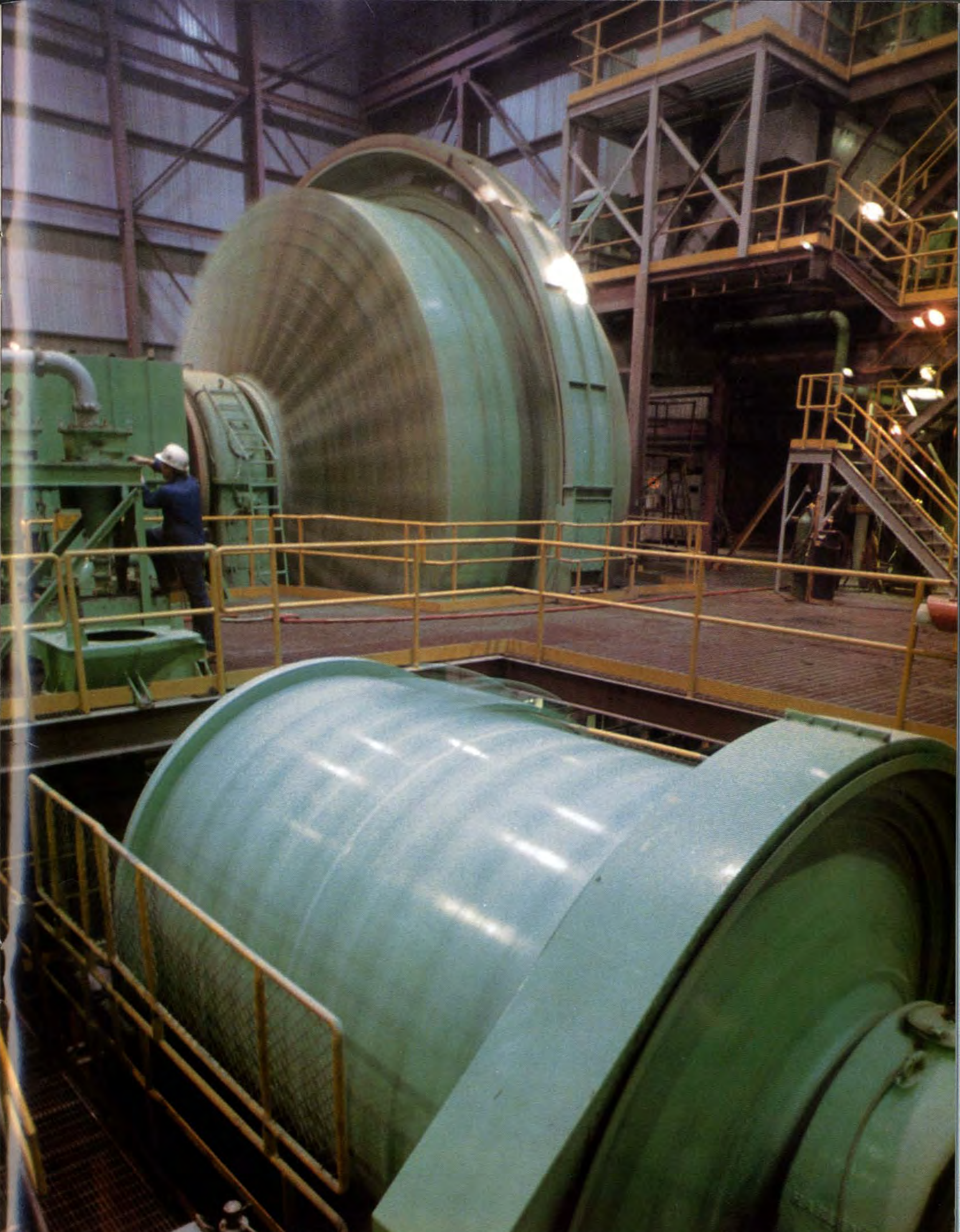
Surface drilling has encountered interesting values in both veins and iron formation, and plans are to dewater the old mine workings to explore these further from underground. Teck holds a first refusal to provide senior financing.

Emerald Lake Resources Inc. is preparing to place its Golden Rose property north of Sudbury into production. Teck and Highland Crow each hold a 2.5% net smelter return royalty interest in this project.

Consolidated Silver Standard Mines Limited (Teck 32%) is an independent exploration company exploring for precious metals in western Canada.

Grange Gold Corporation (Teck 20%), through subsidiary Lovitt Mining Company, is exploring a property adjoining the new Asamera-Breakwater gold mine at Wenatchee in Washington.

Grinding mills operating in the Afton copper concentrator at Kamloops, British Columbia.



Oil and Gas

Comparative Highlights

	1986	1985
Financial ($000's)		
Revenue	**$12,447**	$14,771
Operating profit	**$ 8,170**	$ 9,636
Exploration, depreciation and depletion	**$ 733**	$ 754
Net income before income tax	**$ 7,431**	$ 8,877
Capital expenditures (after PIP grants)	**$ 5,587**	$ 519
Operating		
Production — Oil		
Thousands of barrels	**509**	529
Barrels per day	**1,396**	1,448
Production — Natural gas		
Billions of cubic feet	**1.8**	1.2
Mcf per day	**5,040**	3,360
Reserves — Proven and Probable		
Oil — Thousands of barrels (1)	**4,272**	4,782
Natural gas — Billions of cubic feet (1)	**55.9**	57.7
Wells drilled (gross)	**97**	23
Land		
Gross acres (000's)	**228**	232
Net acres (000's)	**52**	54

(1) Figures are at September 30 and exclude Teck Frontier lands.

Teck produces oil and natural gas from several fields in western Canada.

Production and Operating Profit

Production in 1986 amounted to 509,400 barrels of oil and 1.8 Bcf of natural gas, as compared to 528,500 barrels and 1.2 Bcf produced in 1985. The average daily oil production was 1,396 barrels per day and gas production was 5,040 Mcf per day, as compared to 1,448 barrels per day and 3,360 Mcf per day last year.

A decline in Steelman production offset partially by increased volume from Otter Lake resulted in lower oil production. Natural gas production increased because of expansion at the Monogram Gas Unit and start-up at Edson and North Tsea.

Operating profit decreased from $9.6 million to $8.2 million this year. The significant reduction in oil prices and to a lesser degree natural gas prices, in addition to the Steelman production decline, affected operating profit unfavourably. The average price per barrel and per Mcf received by Teck in 1986 was $23.70 and $2.16 respectively compared to $33.58 and $2.51 in 1985.

Reserves

Proven and probable reserves (before royalties) as at September 30, 1986 were 4,272,300 barrels of oil and natural gas liquids and 55.9 Bcf of natural gas, compared with 4,781,700 barrels and 57.7 Bcf of natural gas last year end.

Reserves are located in the following areas:

	Oil and Gas Liquids (Barrels)	Natural Gas (Bcf)
Saskatchewan	3,845,462	3.0
Alberta	419,226	51.0
British Columbia	—	1.9
Manitoba	7,612	—
	4,272,300	55.9

The company also owns land in western Canada, predominantly in Alberta, totalling 227,699 gross acres (51,982 net acres) and interests in certain frontier acreage.

Steelman, Saskatchewan

The Steelman area of southeastern Saskatchewan remains Teck's most important oil producing property. Teck's share of production for 1986 totalled 400,400 barrels of oil compared with 449,000 barrels in 1985.

A new Unit was formed during the year resulting in 11 Steelman Units in which Teck participates. Two non-unit development wells in which Teck has a 50% interest were drilled and completed as Frobisher oil wells during the year.

East Bantry, Alberta

Teck holds varying interests in over 47,000 acres in this multizone shallow gas area of southeastern Alberta. Production comes essentially from two units — the Monogram Gas Unit (Teck-21.27%) and the Tide Lake Gas Unit (Teck-11.01%). The former is Teck's largest gas property, having 272 wells including 83 which were drilled this year. Production from Monogram in 1986 averaged 13,300 Mcf per day with Teck's share of annual production totalling 1.0 Bcf, compared to 12,000 Mcf per day and 0.9 Bcf in 1985.

Production during 1987 should increase as a result of the new wells drilled this year and additional sales under industrial contracts. The area is capable of producing 40,000 Mcf of gas daily.

Tide Lake, with over 80 wells, produced at an average rate of 53,000 Mcf per day in 1986 with Teck's share of annual production being .21 Bcf, as compared to 4,000 Mcf per day and .14 Bcf last year.

Edson, Alberta

Teck has an average 12.4% interest in over 40,000 acres located in the multizone Edson gas field of west central Alberta. Twelve of the 20 wells drilled to date are producing, seven are shut-in and one was abandoned. Two of the shut-in gas wells were drilled this year.

During the year the Edson field produced 2.2 Bcf of gas of which Teck's share was 0.3 Bcf. Liquid gas production enhances the revenue from this area.

Otter Lake, Alberta

Five new wells were drilled in 1986, all being completed as oil wells. Teck now has an interest in 30 wells on this property located in north central Alberta; 16 of which are oil wells with 12 in production. Teck has working interests varying from 6.25% to 40% in 16,640 acres in this area and has overriding royalty interests in a further 480 acres. Teck's share of production this year was 40,800 barrels of oil, an increase of 22,600 barrels over 1985.

North Tsea, British Columbia

Teck has a 15% interest in a Slave Point gas well located in northeast British Columbia, which was placed on production in May, 1986 and was yielding 5,100 Mcf daily at year-end. This volume is expected to be maintained throughout 1987 under sales contracts in place; however the price to be received will likely be lower than for 1986 sales. No further development drilling on the project is planned for next year, although the 2,920 acres involved will permit additional drilling in the future.

Exploration and Development

During 1986 Teck was involved in the drilling of 97 exploration and development wells, 96 by way of direct participation and one resulting from a farm-out. These drilling programmes resulted in eight oil wells and 85 gas wells of which 90 were producing at year end.

Trilogy Resource Corporation

Teck holds approximately 30% of the Calgary oil and gas company's 19.1 million common shares outstanding.

Trilogy's proven and probable reserves before royalties as at March 1, 1986 were 4.5 million barrels of oil and natural gas liquids and 113.3 billion cubic feet of natural gas, of which 75% and 73% respectively were classed as proven reserves. Trilogy's land holdings as at January 1, 1986 totalled 8.9 million gross acres (3.8 million net acres).

During the six months ended June 30, 1986 cash flow from operations after interest expense amounted to $1.8 million compared to $4.6 million in the same period in 1985.

W.B. Keevil, Vice President-Legal with N.B. Rudden, Oil and Gas Division Manager (Vancouver).

COMINCO LTD.

In October 1986 an international group made up of Teck Corporation, M.I.M. (Canada) Inc. and Metallgesellschaft Canada Limited purchased 20 million shares of Cominco Ltd. The investment, which amounts to 31% of the issued shares of Cominco, is held in Nunachiaq Inc., in which Teck has a 50% interest and the others 25% each.

M.I.M. (Canada) Inc. is a Canadian subsidiary of M.I.M. Holdings Limited which is a major Australian mining and mineral processing company. As well as other interests it operates the large Mt. Isa copper-zinc-lead-silver mine and several coal mines in Queensland.

Metallgesellschaft Canada Limited is a Canadian subsidiary of Metallgesellschaft A.G. of West Germany which is an international mining, smelting and trading company.

Cominco Ltd. is an integrated natural resource company with principal activities in mineral exploration, mining, smelting and refining. It is the world's largest mine producer of zinc and lead accounting for about 10 and 11 percent, respectively of mine production in the Western world. It also produces copper, gold, silver, tin, cadmium, bismuth, indium, diamonds, steel products, fabricated metals, high purity metals and compound semi-conductors and components for the electronics and other high-technology industries.

Cominco's chemical and fertilizer divisions produce ammonia, urea, potash, ammonium nitrate, ammonium phosphate, ammonium sulphate, sulphuric acid and sulphur dioxide.

COMINCO LTD.

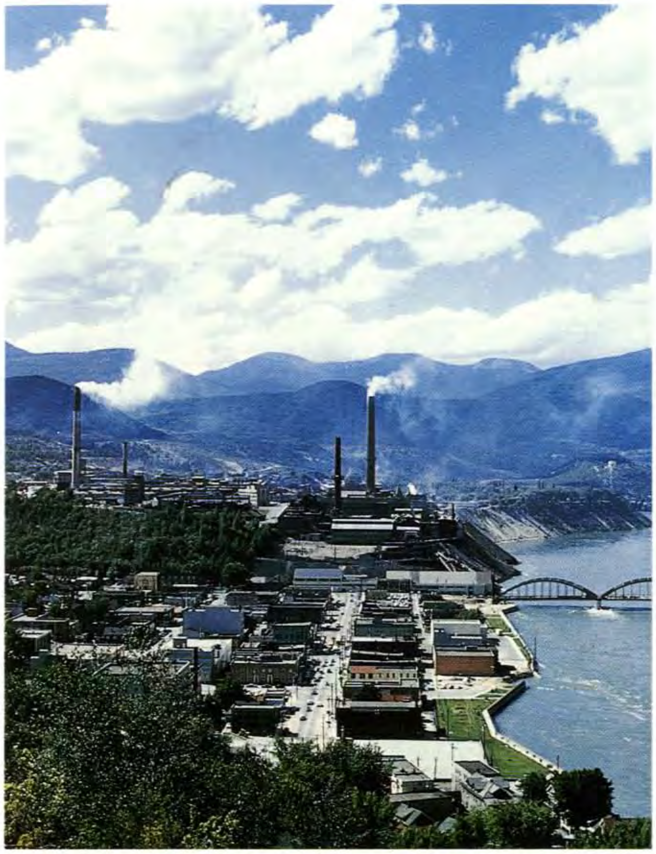
METALS DIVISION

Operating Mines		
Sullivan (B.C.)	100%	Zinc / Lead
Polaris (NWT)	100%	Zinc / Lead
Con (NWT)	100%	Gold
Highland Valley Copper (B.C.)	55%	Copper / Molybdenum
Buckhorn (Nevada)	76%	Gold
Pine Point (NWT)	51%	Zinc / Lead
Magmont (Missouri)	50%	Lead / Zinc
Hondeklip (South Africa)	50%	Diamonds
Que River (Australia)	47%	Zinc / Lead / Silver
Rubiales (Spain)	47%	Zinc / Lead
*Troya (Spain)	47%	Zinc / Lead
Potential Mines		
Red Dog (Alaska)	100%	Zinc / Lead
Hellyer (Australia)	47%	Zinc / Lead
Mineral Processing		
Trail (B.C.)	100%	Zinc / Lead / Silver / Cadmium
Cominco-Mitsubishi (Naoshima, Japan)	45%	Lead
Manufacturing		
Electronic Materials (Trail)	100%	compound semi conductors
(Spokane, Washington)		sputtering targets bonding wire
Western Canada Steel (Vancouver / Calgary / Hawaii)	100%	Miscellaneous steel products
Engineering		
Cominco Engineering Services Ltd.	100%	

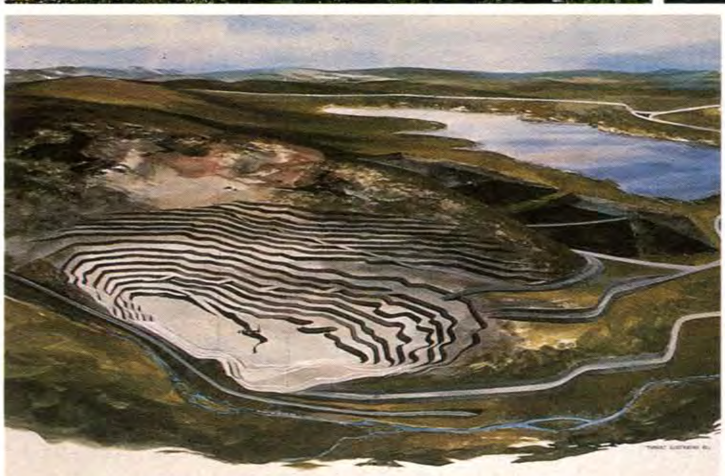
CHEMICALS AND FERTILIZERS DIVISION

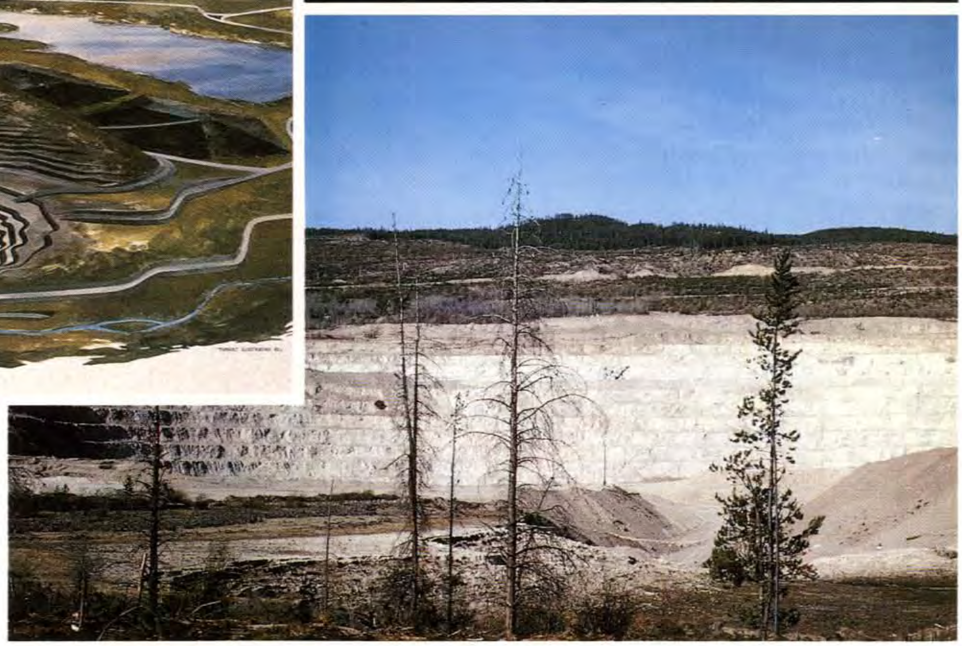
Operating Mines		
Owens Lake (California)	100%	Soda Ash
Vade (Saskatchewan)	100%	Potash
Warm Springs (Montana)	100%	phosphate rock
Fertilizer Processing		
Borger (Texas)	100%	Ammonia & Urea
Calgary (Alberta)	100%	Ammonia & Urea
Carseland (Alberta)	100%	Ammonia & Urea
Homestead (Nebraska)	100%	Ammonium nitrate & nitrogen solutions
Kimberley (B.C.)	100%	Ammonium Phosphate
Trail (B.C.)	100%	Ammonium phosphates & sulphates
*Joffre (Alberta)	75%	Ammonia & Urea

*Starts production in 1987



Upper left: *Smelting and refining complex at Trail, British Columbia. Principal metals produced are zinc, lead, silver, and gold.* ***Lower left:*** *Artist's impression of the Red Dog zinc-lead open pit in Alaska, in Production Year 20.* ***Lower right:*** *Valley Copper open pit in central British Columbia.* ***Upper right:*** *Polaris zinc-lead plantsite and loading facilities at Little Cornwallis Island, N.W.T. This is the world's most northerly base metal mine.*





Financial Report

The company's financial position continued to improve in 1986 with increased earnings, higher cash flow and a stronger balance sheet.

D.A. Thompson, Vice President and Chief Financial Officer, with J.G. Taylor, Controller, and G.R. Shipley, Treasurer.

Earnings

Earnings before extraordinary items in 1986 amounted to $23 million ($0.42 per share). This compares with earnings of $16 million ($0.30 per share) in 1985. Extraordinary earnings for the year amounted to $1 million, giving total earnings of $24 million ($0.44 per share). In 1985 there were no extraordinary earnings.

The improvement in the company's results in 1986 was due to higher profits from Afton, improved equity earnings from Lornex and to lower net interest charges. These factors more than offset the results of a loss at Newfoundland Zinc and lower profits of the oil and gas division.

Teck's share of Afton's profits, after tax, increased from $5 million to $8 million, as a result of higher production of copper and gold and an increase in the average price of gold received. Profits from Teck's equity earnings amounted to $5 million as compared to $3.2 million in 1985. Interest expense at $6 million was $5 million lower than 1985.

Extraordinary earnings amounted to $1 million. These items include the gain of $18 million before tax from the sale of a 5% interest in the Teck-Corona mine to International Corona Resources Ltd. and a $2 million gain on sale of a resource property. These profits were offset by the write-down of all remaining costs associated with frontier oil and gas exploration of $6 million after tax. Although the company has retained the acquired land interests in the Beaufort, Arctic Islands and East Coast offshore, any benefit from these holdings will be derived some distance in the future and it was considered prudent to eliminate any carrying value from the financial statements. In addition, a provision of $7 million was made for possible diminution in the value of the company's investments.

Capital Expenditure and Investments

Total capital expenditure on fixed assets of $15 million was $21 million lower than last year. Expenditures were concentrated in the new Hemlo project, which totalled $7.3 million net of preproduction profits, and in the oil and gas division, where $5.6 million was spent on new gas gathering systems at Monogram and Edson.

During the year 1,545,000 shares of Golden Knight Resources were acquired at a total cost of $10.5 million. 402,445 Teck Class 'B' shares, valued at $7.6 million, were issued as partial consideration of this purchase. This investment brought Teck's interest in Golden Knight to 30%.

On October 16, 1986, after the end of the financial year, Teck completed its purchase of an interest in Cominco. Teck's share of the acquisition cost, net of vendor financing, was $102 million. This amount was financed initially by working capital and interim bank borrowings. On October 30, 1986 the company announced an equity issue of 2.5 million Teck Class 'B' shares and 1,250,000 warrants at an issue price of $25 per unit. Net proceeds after selling expenses amounted to $60 million and the proceeds will be used to repay the interim financing put in place for the acquisition of the Cominco investment.

Balance Sheet

The debt to equity ratio improved with long-term debt amounting to 29% of equity at the year-end, as compared with 33% last year. As a result of the equity issue after the year-end, this ratio has now declined to 25%.

Bank indebtedness was reduced by $4 million compared to last year as a result of additional borrowings of $7 million for Teck's share of the continuing development at the Teck-Corona mine less repayments of $7 million on the Bullmoose loan and the assumption by International Corona Resources Ltd. of $4 million of project debt as partial consideration for the transfer of a 5% interest in the Teck-Corona mine.

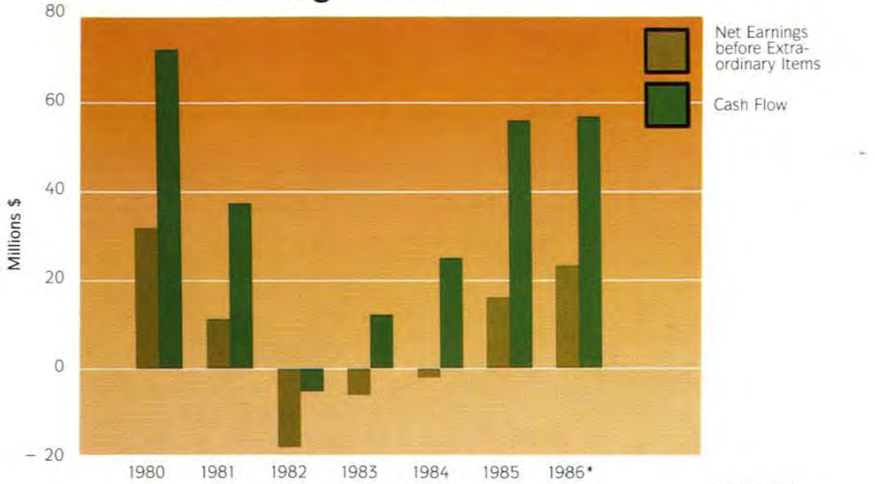
The year-end working capital amounted to $76 million, a $5 million increase from 1985, and the working capital ratio stood at 3 to 1.

Outlook

Income from the David Bell mine should improve steadily during the year as the underground development work is completed. This development work should be financed by cash flow from mine operations. The company will be able to record income from the Williams property in 1987, provided that the judgement of the Supreme Court of Ontario is upheld in appeal. The judgement requires Teck to provide approximately $77 million for its 50% share of mine assets which the company expects to finance on a project basis.

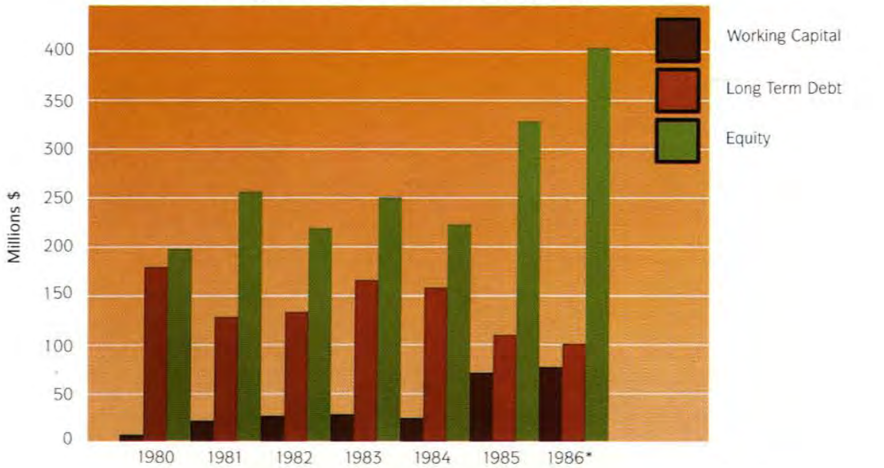
The balance sheet remains strong with the debt to equity ratio improving again after the year-end when the investment in Cominco and related equity issue were completed.

Earnings & Cash Flow



*estimated

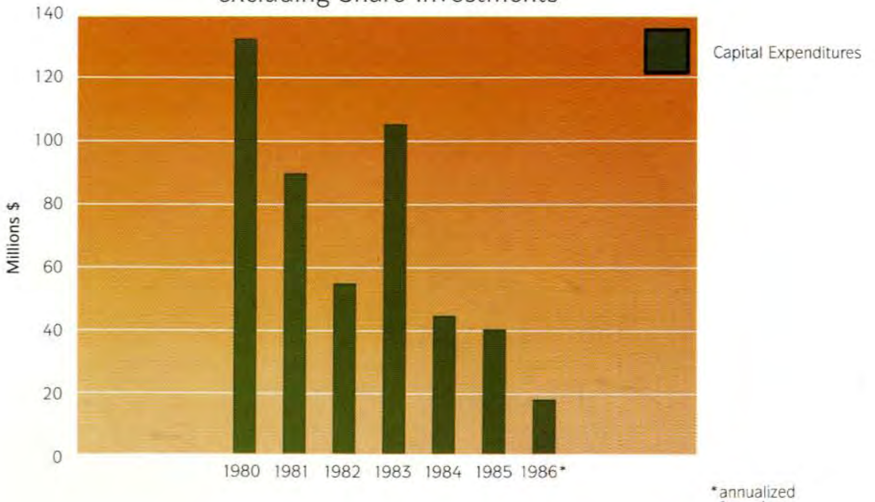
Working Capital Long Term Debt & Equity



*June

Capital Expenditures

excluding Share Investments



*annualized from June

Consolidated Balance Sheet
as at September 30, 1986

	1986 $	1985 $
	(in thousands)	
ASSETS		
Current Assets		
Cash and short-term investments	**75,390**	64,574
Accounts receivable	**13,089**	12,489
Product inventories and settlements receivable	**15,089**	20,011
Supplies and prepaids	**10,334**	10,673
	113,902	107,747
Investments (Notes 2 and 4)	**103,116**	65,101
Property, Plant and Equipment (Notes 3 and 4)	**295,113**	316,444
	512,131	489,292
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	**18,213**	22,135
Income and mining taxes payable	**1,815**	2,385
Current portion of long-term debt	**17,630**	12,705
	37,658	37,225
Long-term Debt (Notes 4 and 9(b))		
Recourse loans	**25,144**	28,944
Non-recourse loans	**75,079**	80,382
Deferred Income Taxes	**30,807**	15,966
	168,688	162,517
SHAREHOLDERS' EQUITY		
Capital Stock (Note 5)	**259,789**	251,637
Contributed Surplus	**27,602**	27,602
Retained Earnings	**56,052**	47,536
	343,443	326,775
	512,131	489,292

Approved by the Directors:

Norman B. Keevil, Jr., Director

D. A. Thompson.

David A. Thompson, Director

Pyrochlore flotation in the Niobec mill near Chicoutimi, Quebec.

Consolidated Statement of Earnings

for the year ended September 30, 1986

	1986 $	1985 $
	(in thousands)	
Revenues		
Mining	**166,022**	200,076
Petroleum	**12,447**	14,771
Investment and other income	**6,780**	3,093
	185,249	217,940
Costs and Expenses		
Mining operations	**109,381**	139,101
Petroleum operations	**4,277**	5,135
Administration and general	**6,643**	4,527
Depreciation and amortization	**20,406**	21,125
Exploration	**2,898**	6,134
Interest on long-term debt	**6,255**	11,285
Foreign currency loss	**1,920**	3,293
	151,780	190,600
	33,469	27,340
Income and Mining Taxes (Note 6)		
Current	**1,918**	1,978
Deferred	**13,354**	12,512
	15,272	14,490
Earnings before the following	**18,197**	12,850
Equity in net earnings of associated companies (Note 2(c))	**5,073**	3,214
Earnings before extraordinary items	**23,270**	16,064
Extraordinary items (Note 7)	**695**	—
Net Earnings	**23,965**	16,064
Earnings per share (after preferred share dividends)		
Before extraordinary items	**$0.42**	$0.30
After extraordinary items	**$0.44**	$0.30

Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of Teck Corporation as at September 30, 1986 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as explained in the following paragraph.

As described in Note 2(c), investments in associated companies and equity in earnings of these companies include net earnings of $3,819,000 which represents the portion of the results of their operations which have not been audited.

In our opinion, except for the effect of adjustments, if any, which might have been required had the audited financial information of the investee companies been available, these consolidated financial statements present fairly the financial position of the company as at September 30, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Vancouver, B.C.
November 7, 1986

Coopers & Lybrand
CHARTERED ACCOUNTANTS

Consolidated Statement of Changes in Financial Position

for the year ended September 30, 1986

	1986 $	1985 $
	(in thousands)	
Operations		
Earnings		
Earnings before extraordinary items	**23,270**	16,064
Depreciation and amortization	**20,406**	21,125
Equity in earnings of associated companies	**(5,073)**	(3,214)
Exploration	**2,898**	6,134
Foreign currency loss	**1,920**	3,293
Deferred income taxes	**13,354**	12,512
	56,775	55,914
Net Decrease in Receivables, Inventories, Supplies and Payables	**464**	10,942
Dividends Paid — preferred shares	**(10,380)**	(7,071)
— common shares	**(5,069)**	(4,402)
	41,790	55,383
External Financing		
Long-term debt	**6,747**	30,414
Repayment of long-term debt	**(7,520)**	(80,765)
Issue of Class B subordinate voting shares	**13,014**	8,845
Issue of preferred shares, net of expenses	**—**	97,397
Conversion of preferred shares	**(4,862)**	(7,006)
	7,379	48,885
Investments		
Petroleum properties	**(5,587)**	(2,878)
Petroleum incentive payments received	**—**	2,359
Plant and equipment	**(9,054)**	(33,409)
Exploration and development costs	**(3,424)**	(6,417)
Investments	**(34,689)**	(6,514)
Non-current receivables from sale of mineral property	**(8,292)**	—
Sale of investments and marketable securities	**1,151**	2,014
Sale of mineral properties	**21,542**	—
	(38,353)	(44,845)
Increase in Cash	**10,816**	59,423
Cash — Beginning of Year	**64,574**	5,151
Cash — End of Year	**75,390**	64,574

Note: "Cash" comprises cash and short-term investments.

Consolidated Statement of Retained Earnings

for the year ended September 30, 1986

	1986 $	1985 $
	(in thousands)	
Balance at Beginning of Year	**47,536**	44,248
Net earnings	**23,965**	16,064
Dividends on preferred shares	**(10,380)**	(7,071)
Dividends on Class A common and Class B subordinate voting shares	**(5,069)**	(4,402)
Cost of issuing preferred shares, net of tax recovery of $1,300,000	**—**	(1,303)
Balance at End of Year	**56,052**	47,536

Notes to Consolidated Financial Statements

for the year ended September 30, 1986

1. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These consolidated financial statements include the accounts of the company and all of its subsidiaries. Significant subsidiaries included in the consolidation are:

Teck-Bullmoose Coal Inc., Teck-Hemlo Inc., Teck Explorations Limited and Teck Mining Group Limited.

Investments in associated companies

The company follows the equity method of accounting for its investments in companies in which it owns from 20% to 50% and over which it exercises significant influence. Under this method the company includes in its earnings its share of the earnings and losses of these associated companies. All of the significant accounting policies followed by the investee companies conform to those of the company. The excess costs of the investments over the related underlying equity in the net assets of the investee companies relate to specific resource properties and are amortized over the estimated life of the properties.

Joint ventures and partnerships

The company conducts substantially all of its petroleum and mining activities on joint venture and partnership bases and the accounts reflect the company's proportionate interest in such activities.

Product inventories and settlements receivable

Product inventories are recorded at estimated net realizable value except where there is no contract for sale in which case they are recorded at the lower of cost and net realizable value. Settlements receivable are recorded at estimated net realizable value.

Net realizable value is based upon current metal prices less provision for possible adverse changes in metal prices and foreign exchange rates.

Property, plant and equipment

(a) *Oil and gas properties*

The costs of producing properties are amortized on a unit of production method based on estimated recoverable reserves.

Exploration costs in frontier areas, the Beaufort Sea, the Arctic Islands and East Coast offshore, are deferred and will be amortized on a unit of production basis upon commencement of commercial production, or written off if the properties are abandoned or when there is impairment in value.

(b) *Mineral properties and deferred costs*

Mineral properties are carried at cost less amortization. Exploration costs are charged to earnings in the year in which they are incurred, except where these costs relate to specific properties having indicated economically recoverable reserves, in which case they are deferred.

Deferred costs also include financing costs relating to the construction of plant and equipment and operating costs net of revenues prior to the commencement of commercial production of a new mine.

Mineral properties and deferred costs are amortized over the estimated life of the orebody upon commencement of production, or written off if the property is abandoned or when there is impairment in value.

(c) *Plant and equipment*

Plant and equipment are depreciated over the estimated life of the assets on a unit of production basis.

Income and mining taxes

The company records income and mining taxes on the tax allocation basis. Differences in amounts reported for tax purposes and accounting purposes result in deferred income and mining taxes which are shown separately in the statement of earnings and balance sheet. Deferred income taxes relate primarily to the depreciation and amortization of property, plant and equipment costs. Tax savings from investment tax credits are recognized when there is reasonable assurance that they will be realized and are deducted from the related asset costs.

Translation of foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Canadian dollars at the year end rates of exchange. Foreign currency revenue and expense items are translated at average monthly rates of exchange. Exchange gains and losses are included in determining current earnings except those arising from the translation of long-term debt which are deferred and amortized over the term of the debt.

2. INVESTMENTS

	% Ownership	**1986 $**	1985 $
		(in thousands)	
Investments carried on an equity basis			
Lornex Mining Corporation Ltd.	22	**41,924**	36,610
Trilogy Resource Corporation	30	**10,639**	10,639
Golden Knight Resources Inc.	30	**12,362**	—
		64,925	47,249
Investments and advances at cost			
Other investments — quoted		**19,462**	7,457
Other investments — not quoted		**4,710**	7,054
Advances		**14,019**	3,341
		38,191	17,852
		103,116	65,101

a) At September 30, 1986, investments carried on an equity basis have a quoted market value of $90,169,000 and other quoted investments have a market value of $27,403,000.

b) In January, 1986, the company acquired 1,495,000 shares of Golden Knight Resources Inc. by payment of $2,468,000 and issue of 402,445 Class B subordinate voting shares, raising the company's holding to 30% of the issued capitalization of Golden Knight Resources Inc.

c) The company accounts for its investments in Lornex Mining Corporation Ltd., Trilogy Resource Corporation and Golden Knight Resources Inc. on the equity method and includes in earnings the company's share of earnings and losses of these companies net of amortization of any excess of cost of the investment over the underlying value of assets. Since Lornex and Trilogy have December 31 year ends, their earnings (losses) for the nine months ended September 30, 1986 were unaudited as at the audit report date. Golden Knight holds mineral properties in Quebec which are still in the exploration and development stage and as a result does not report earnings and losses.

	1986 $	1985 $
	(in thousands)	
Equity in earnings (losses) of associated companies		
— audited	**1,254**	(351)
— unaudited	**3,819**	3,565
	5,073	3,214

3. PROPERTY, PLANT AND EQUIPMENT

	1986			1985
	Cost $	Accumulated depreciation and amortization $	Net $	Net $
		(in thousands)		
Oil and Gas				
Western Canada	**30,763**	**13,434**	**17,329**	12,913
Frontier areas	**—**	**—**	**—**	8,911
	30,763	**13,434**	**17,329**	21,824
Mining				
Mineral properties and deferred costs	**84,974**	**22,631**	**62,343**	70,652
Plant and equipment	**256,318**	**84,202**	**172,116**	183,820
Construction in progress	**43,325**	**—**	**43,325**	40,148
	384,617	**106,833**	**277,784**	294,620
	415,380	**120,267**	**295,113**	316,444

4. LONG-TERM DEBT

	1986 $	1985 $
	(in thousands)	
Recourse debt		
Bullmoose mine (a)	**13,806**	14,628
Highmont mine (c)	**20,420**	19,970
Other	**2,178**	1,881
	36,404	36,479
Less: amount due within one year	**(11,260)**	(7,535)
	25,144	28,944
Non-recourse debt		
Bullmoose mine (a)	**33,805**	38,806
Teck-Corona mine (b)	**42,000**	40,975
Other	**5,644**	5,771
	81,449	85,552
Less: amount due within one year	**(6,370)**	(5,170)
	75,079	80,382
	100,223	109,326

Recourse debt is a general obligation of the company. Non-recourse debt represents loans made in respect of specific projects and is secured only by project assets and the payment of interest and principal is entirely dependent upon cash flow from the particular project.

(a) The Bullmoose bank loan totals $47,611,000 including the current portion. Of this amount $33,805,000 is a non-recourse debt secured only by the company's share of mine assets. Certain petroleum properties have been pledged as additional security for the balance of the loan.

The interest rate is at 1¼% above the U.S. dollar L.I.B.O. rate or at ¾% above the bank prime lending rate.

The loan is repayable in semi-annual instalments on June 15 and December 15 with each instalment being the lesser of the company's share of cash flow from the mine for the preceding six month period and fixed amounts calculated by reference to the total advances made. Any unpaid balance of the loan is due on December 15, 1994 unless extended by agreement of the banks.

This credit facility provides that on December 15, 1990 a further $50 million will be advanced on a non-recourse basis to provide funds for the redemption of the Series E preferred shares.

(b) A consortium of banks has agreed to lend up to $77 million including an overrun facility, on a non-recourse basis, in respect of the company's share of the Teck-Corona mine project of which $42,000,000 has been advanced as at September 30, 1986. A maximum of $25 million of the credit facility may be used for general corporate purposes subject to meeting certain completion tests, cash flow and construction cost criteria. The loan is secured only by the company's share of mine assets.

Semi-annual repayments will commence at the earlier of six months after satisfying certain completion tests or March 31, 1988 in the amount of the lesser of cash flow for the preceding six month period and amounts calculated to repay the loan in 14 equal instalments.

The maximum interest rate is at ⅞% over the U.S. dollar L.I.B.O. rate or at ⅜% above the bank prime lending rate.

(c) The Highmont bank loan (U.S.$14,577,187) is secured by the company's share of mine assets and certain other securities of the company. The interest rate is at ⅞% above the U.S. dollar L.I.B.O. rate. Repayment is scheduled over two years commencing in 1987.

(d) Interest of $4,342,000 on long-term debt relating to the Teck-Corona mine project was capitalized as a deferred cost during the year.

(e) The amounts estimated to meet repayment provisions in each of the next five fiscal years are:

	Recourse Debt	Non-Recourse Debt	Total
	$	$ (in thousands)	$
1987	11,260	6,370	17,630
1988	11,260	12,370	23,630
1989	1,050	13,430	14,480
1990	1,050	14,490	15,540
1991	1,050	14,410	15,460
	25,670	61,070	86,740

5. CAPITAL STOCK

(a) *Authorized*

An unlimited number of preferred shares without nominal or par value issuable in series.

An unlimited number of Class A common shares without nominal or par value.

An unlimited number of Class B subordinate voting shares without nominal or par value.

The Class A common shares carry the right to 100 votes per share and the Class B subordinate voting shares carry the right to one vote per share; in all other respects the Class A common and Class B subordinate voting shares rank equally.

(b) *Issued and fully paid* (Note 8(b))

	1986	1985
	$ (in thousands)	$
134,464 Series C 8.36% preferred shares	**7,396**	12,248
250,000 Series D 5.00% preferred shares	**25,000**	25,000
2,000,000 Series E 9.25% preferred shares	**50,000**	50,000
1,999,590 Series F 7.25% preferred shares	**49,990**	50,000
	132,386	137,248
2,341,118 Class A common shares	**6,696**	6,696
28,528,101 Class B subordinate voting shares	**120,707**	107,693
	127,403	114,389
	259,789	251,637

(c) Capital stock transactions during the year are as follows:

	Shares	$ (in thousands)
Class B subordinate voting shares		
Balance at September 30, 1985	27,841,354	107,693
Exercise of stock options	63,350	507
Conversion of Series C preferred shares	220,350	4,852
Conversion of Series F preferred shares	602	10
Issue to acquire shares of Golden Knight Resources Inc. (Note 2(b))	402,445	7,645
Balance at September 30, 1986	28,528,101	120,707

(d) In 1984, stock options were granted to senior employees allowing the acquisition of 599,000 Class B subordinate voting shares at $8.00 per share. The options expire July 31, 1989. Changes during the year were:

Balance at September 30, 1985	365,600
Cancelled during the year	(13,000)
Exercised during the year	(63,350)
Balance at September 30, 1986	289,250

(e) The Series C preferred shares are redeemable at prices between $55.00 and $60.00 per share. Each share may be converted into 2.3 Class B subordinate voting shares on or before December 31, 1991.

(f) The Series D preferred shares are to be redeemed for $100 per share in four equal annual amounts commencing July 31, 1992. The dividend rate is subject to increase by a maximum of 6% if molybdenum and copper prices exceed U.S.$7.50 and U.S.$0.90 per pound respectively. Each share may be converted into 4.54 Class B subordinate voting shares subject to certain restrictions.

(g) The Series E preferred shares are to be redeemed for $25 each on December 15, 1990. Funds required for the redemption will be provided as a non-recourse advance under the Bullmoose credit facility (Note 4(a)).

In the event that the company fails to pay a dividend or to redeem the shares, a Canadian bank will offer to purchase the shares for $26 each plus 133% of any accrued and unpaid dividends to the date of purchase.

(h) The Series F preferred shares are convertible at any time prior to September 1, 1990 on the basis of 1.47 Class B subordinate voting shares for each Series F preferred share.

The Series F preferred shares are redeemable after September 1, 1987. From that date until August 31, 1990, the Series F preferred shares may be redeemed at $26 per share if certain conditions are satisfied relating to the market price of the Class B subordinate voting shares. The Series F preferred shares are redeemable at any time on and after September 1, 1990, at $25 per share plus accrued and unpaid dividends.

(i) Earnings per share are calculated using the weighted average number of Class A common and Class B subordinate voting shares outstanding during the year of 30,553,478 (1985 – 29,560,000).

6. INCOME TAXES

The reconciliation of income taxes calculated at the statutory rate to the actual tax provision is as follows:

	1986 $	1985 $
	(in thousands)	
Income taxes at statutory rate (52%)	**17,404**	14,217
Tax effect of:		
Resource and depletion allowances, net of non-deductible government royalties and resource tax	**(3,977)**	(4,759)
Non-taxable dividends	**(1,857)**	(255)
Non-deductible foreign exchange loss	**499**	856
Non-deductible exploration expense	**–**	995
	12,069	11,054
Mining taxes	**3,203**	3,436
Tax provision	**15,272**	14,490

7. EXTRAORDINARY ITEMS

	1986 **$**	1985 $
	(in thousands)	
Gain on sale of mineral property after provision for deferred income tax of $6,860,000	**10,906**	–
Write down of frontier oil and gas exploration costs, net of provision for deferred income tax recovery of $3,650,000	**(5,700)**	–
Provision for diminution in value of investments, net of provision for deferred income tax recovery of $2,250,000	**(6,750)**	–
Additional proceeds on previous sale of mineral property, net of deferred income tax of $1,260,000	**2,239**	–
	695	–

8. SUBSEQUENT EVENTS

(a) On October 17, 1986, a 50% owned holding company acquired 20,000,000 common shares of Cominco Ltd. being approximately 31% of the common shares outstanding for $280,000,000 with payment of $205,000,000 in cash and issue of a promissory note of $75,000,000. The promissory note is repayable by the holding company over four years and is secured by a portion of the acquired Cominco shares. Metallgesellschaft AG of West Germany and MIM Holdings Limited of Australia each hold a 25% interest in the holding company.

(b) On October 31, 1986 the company filed a prospectus to issue 2,500,000 units at $25 per unit with each unit consisting of one Class B subordinate voting share and one half of a share purchase warrant. Each warrant entitles the holder to purchase a Class B subordinate voting share at $28.50 at any time up to November 21, 1988. The proceeds, net of selling commissions and expenses, totalling $60,250,000 will be applied to reduce the short term financing relating to the acquisition of an interest in Cominco Ltd. (Note 8(a)).

The following is a condensed pro forma balance sheet as at September 30, 1986, taking into account the above transactions:

	Pro Forma $	As Reported $
	(in thousands)	
Current assets	72,902	113,902
Investments	205,116	103,116
Property, plant and equipment	295,113	295,113
	573,131	512,131
Current liabilities	37,658	37,658
Long-term debt – corporate	25,144	25,144
– limited recourse	75,079	75,079
Deferred income taxes	30,807	30,807
	168,688	168,688
Shareholders' equity	404,443	343,443
	573,131	512,131

9. OTHER INFORMATION

(a) Related party transactions (Note 9(b))

(i) Metallgesellschaft Canada Limited and Metallgesellschaft Canada Investments Limited (subsidiaries of Metallgesellschaft AG) own directly and indirectly approximately 12% of the non-preferred share capital of the company.

(ii) Included in accounts receivable is the amount of $1,639,845 advanced to senior employees to enable them to purchase shares of the company.

(iii) In December, 1985, the company purchased 500,000 units of Moli Energy Limited for $2,500,000. Each unit consists of one common share and one half of a Class B warrant and one half of a Class C warrant. The warrants entitle the holder to purchase common shares at varying prices of $9 to $12 over the next three years. The Chairman of the Board of the company is a shareholder and Chairman of the Board of TDC Technology Development Corporation (TDC) and of Moli Energy Limited. The company owns a 25% share interest in TDC which holds a 41% interest in Moli Energy Limited.

(b) Contingent liability

In prior years customers of the Highmont mine advanced funds by way of price support loans to the mine. The company's share of these advances totalled U.S.$19,113,000 of which U.S.$10,889,000 was advanced by Metallgesellschaft AG, a related party. As a result of the shutdown of the mine in 1984, these advances were reclassified from long-term debt to a contingent liability. These advances are subordinate to the project term loan ($75 million) which is secured by a first mortgage on the company's share of the mine assets. After the project term loan has been repaid in full, the support loans are repayable but only out of cash flow from the project. A wholly-owned subsidiary of the company is the holder of $56 million of the project term loan (which is eliminated in the consolidated accounts of the company) and a Canadian bank holds the balance.

(c) Pension plan

As at September 30, 1986, there was no unfunded past service liability.

(d) On March 7, 1986 the Supreme Court of Ontario ordered Lac Minerals Ltd. to transfer the Williams mine adjacent to the Teck-Corona mine to International Corona Resources Ltd., subject to payment to Lac Minerals Ltd. of the sum of $154 million in respect of improvements to the property. Teck Corporation is entitled to a 50% interest in the mine by paying 50% of $154 million. The decision is being appealed by Lac Minerals Ltd. to the Ontario Court of Appeal.

(e) Segmented information

The principal classes of business of the company are mining and petroleum. Financial information relating thereto is disclosed in the Consolidated Statement of Segmented Information, which forms part of these financial statements.

Consolidated Statement of Segmented Information

for the year ended September 30, 1986

	1986				1985			
OPERATIONS	**Mining $**	**Petroleum $ (in thousands)**	**Other $**	**Total $**	Mining $	Petroleum $ (in thousands)	Other $	Total $
Revenue								
Export	**162,455**	**–**	**–**	**162,455**	180,888	–	–	180,888
Domestic	**3,567**	**12,447**	**6,780**	**22,794**	19,188	14,771	3,093	37,052
	166,022	**12,447**	**6,780**	**185,249**	200,076	14,771	3,093	217,940
Costs and expenses								
Cost of operations	**109,381**	**4,277**	**–**	**113,658**	139,101	5,135	–	144,236
Administration and general	**–**	**–**	**6,643**	**6,643**	–	–	4,527	4,527
Depreciation and amortization	**19,808**	**598**	**–**	**20,406**	20,688	437	–	21,125
Exploration	**2,764**	**134**	**–**	**2,898**	5,817	317	–	6,134
Interest expense and foreign currency loss	**14,970**	**11**	**(6,806)**	**8,175**	20,703	5	(6,130)	14,578
	146,923	**5,020**	**(163)**	**151,780**	186,309	5,894	(1,603)	190,600
Earnings before taxes	**19,099**	**7,427**	**6,943**	**33,469**	13,767	8,877	4,696	27,340
Income and mining taxes	**(8,698)**	**(3,338)**	**(3,236)**	**(15,272)**	(7,656)	(4,791)	(2,043)	(14,490)
Earnings after taxes	**10,401**	**4,089**	**3,707**	**18,197**	6,111	4,086	2,653	12,850
Equity in earnings of associated companies	**–**	**–**	**5,073**	**5,073**	–	–	3,214	3,214
Net earnings before extraordinary items	**10,401**	**4,089**	**8,780**	**23,270**	6,111	4,086	5,867	16,064
WORKING CAPITAL	**15,915**	**1,491**	**58,838**	**76,244**	13,074	–	57,448	70,522
INVESTMENTS	**–**	**–**	**103,116**	**103,116**	–	–	65,101	65,101
PROPERTY, PLANT AND EQUIPMENT	**272,646**	**17,329**	**5,138**	**295,113**	289,384	21,824	5,236	316,444
CURRENT CAPITAL EXPENDITURES	**12,478**	**5,587**	**34,689**	**52,754**	39,826	519	6,514	46,859

OTHER: Includes equity in earnings of associated companies and items not allocated to mining or petroleum.

Comparative Figures

		Year Ended September 30, (in thousands)				
		1986	1985	1984	1983	1982
		$	$	$	$	$
Balance Sheet						
Total assets		**512,131**	489,292	434,099	489,471	438,958
Long-term debt		**100,223**	109,326	157,485	165,052	132,497
Shareholders' equity	(1)	**343,443**	326,775	221,648	249,045	217,785
Working capital		**76,244**	70,522	24,746	28,472	27,069
Earnings and cash flow						
Mining revenue		**166,022**	200,076	187,534	101,824	105,242
Petroleum revenue	(2)	**12,447**	14,771	13,988	20,601	16,647
Mining operating profit		**56,641**	60,975	36,452	9,127	5,448
Petroleum operating profit		**8,170**	9,636	9,321	15,520	10,616
Earnings (loss) before extraordinary items		**23,270**	16,064	(2,039)	(6,025)	(17,705)
Extraordinary items	(3)	**695**	—	(23,026)	(10,963)	(14,146)
Net earnings (loss)		**23,965**	16,064	(25,065)	(16,988)	(31,851)
Cash flow from operations		**56,775**	55,914	24,960	12,143	(5,176)
Sale of resource properties	(4)	**21,542**	—	—	26,874	73,295
Sale of investments		**1,151**	2,014	3,016	2,129	2,557
Capital expenditures excluding investments	(5)	**18,065**	40,345	44,664	105,232	54,859
Investments	(6)	**34,689**	6,514	6,922	3,057	3,663
Exploration expense		**2,898**	6,134	1,296	2,904	6,971
Per Share	(7)					
Cash flow from operations		**$1.86**	$1.89	$0.86	$0.44	($0.20)
Earnings (loss) before extraordinary items		**$0.42**	$0.30	($0.17)	($0.28)	($0.76)
Net earnings (loss)		**$0.44**	$0.30	($0.96)	($0.68)	($1.32)
Dividends		**$0.175**	$0.15	$0.15	$0.15	$0.15

(1) Issue of $50 million 9.25% preferred shares and $50 million 7.25% convertible preferred shares in 1985.

(2) In June, 1983 certain oil and gas properties were sold to Trilogy Resource Corporation.

(3) Includes write-down of investments and sale of 5% of Hemlo in 1986, write-down of Highmont and Teck Frontier in 1984, Afton smelter in 1983 and loss on sale of 30% of Highmont in 1982.

(4) Includes sale of 5% interest in Hemlo in 1986, oil and gas properties to Trilogy Resource Corporation in 1983, a 49% interest in Bullmoose and a 30% interest in Highmont in 1982.

(5) Primarily Hemlo in 1986 and 1985, Bullmoose and Hemlo in 1984 and Bullmoose and Teck Frontier in 1983 and 1982.

(6) Primarily $17 million on International Corona shares and notes and $10 million on Golden Knight shares in 1986.

(7) The number of shares used in the calculation is the weighted average number of Class A and Class B shares issued and outstanding during the year.

Shareholder Information

Principal Offices
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Toronto, Ontario M5X 1G9
Tel. (416) 862-7102

Oil and Gas Division
610 Panarctic Plaza
815 - 8th Avenue S.W.
Calgary, Alberta T2P 1H7
Tel. (403) 266-1016

Corporate Information
The company prepares an Annual Information Form (AIF) which is filed with the securities commissions or similar bodies in all the provinces of Canada. Copies of the AIF and Annual and Quarterly reports are available to shareholders and other interested parties on request.

Auditors
Coopers & Lybrand
Chartered Accountants
Coopers & Lybrand Building
1111 West Hastings Street
Vancouver, B.C.
V6E 3R2

Transfer Agents

National Trust Company Vancouver, Calgary, Winnipeg, Toronto, Montreal	Class A common, Class B shares, Class B share warrants, Preferred Shares Series C and F
The Canada Trust Company Vancouver, Calgary, Winnipeg, Toronto, Montreal	Preferred Shares Series E
First Fidelity Bank N.A. Newark, New Jersey, U.S.A.	Class A common, Class B shares
Bankers Trust Company 69 Old Broad Street London, England EC2 T2EB	Class B shares, Class B share warrants

Stock Exchanges
The Class A common, Class B shares, Class B share warrants and Series F Preferred Shares are listed on the Vancouver, Toronto and Montreal stock exchanges. The Series E Preferred shares are listed on the Toronto and Montreal stock exchanges.

Market Value — Toronto Stock Exchange

	Class A Common		Class B Shares		Preferred Shares Series E		Preferred Shares Series F	
	High	Low	High	Low	High	Low	High	Low
1986 Fiscal Period	$	$	$	$	$	$	$	$
1st Quarter	21	13¼	19½	12⅞	28¼	26⅜	31⅞	25¾
2nd Quarter	23⅝	17	25⅝	17⅜	27¾	26½	39	30¾
3rd Quarter	23½	20½	24⅛	20⅞	27½	26¼	38	34
4th Quarter	25¾	22	26¾	21½	28	27	40⅝	34

Dividends*	Amount per Share	Payment Date
1986 Fiscal Period		
Class A common	$0.075	December 31, 1985
and Class B shares	$0.10	June 30, 1986
Preferred Shares		
Series C	$1.15 per quarter	Last day of each quarter
Series D	$5.00	July 30, 1986
Series E	$0.578125 per quarter	First day of each quarter
Series F	$0.453125 per quarter	Last day of each quarter

*For U.S.A. registered shareholders dividend payments are converted into U.S. funds.

Excavation of the crusher room in the David Bell gold mine at Hemlo, Ontario, using a scissor lift and stoper drills.

DIRECTORS

W.R. Bennett
Businessman (Kelowna)

Sir Michael Butler, Bt, Q.C.
Barrister and Solicitor (Victoria)

*R.E. Hallbauer, B.A.Sc., P.Eng.
Senior Vice President of Teck and President and Chief Executive Officer of Cominco Ltd. (Vancouver)

C.F. Kaiser
MIM Holdings Limited (Brisbane)

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Chairman of Teck (Vancouver)

*N.B. Keevil Jr., Ph.D., P.Eng.
President of Teck and Chairman of the Board of Cominco Ltd. (Vancouver)

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J.H. Westell
Consultant (Orillia)

*R.J. Wright, Q.C.
Barrister and Solicitor (Toronto)

K. Zeitler, Dr. rer. pol.
Managing Director, Mining Dept. Metallgesellschaft AG (Toronto)

**Members of the Executive Committee*

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Chairman of the Board and Executive Committee

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Vice President Administration and Assistant Secretary

Ronald F. Mossman
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G. Robert Shipley
Treasurer

John G. Taylor
Controller

Walter H. Bowles
Assistant Secretary

Howard Chu
Assistant Controller

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Oil & Gas Division:
N.B. Rudden (Vancouver)
W.H. Bowles (Calgary)

Mining Exploration:
J.L. May, President
Teck Explorations Limited

General Manager Metal Operations:
M.P. Lipkewich

General Manager, David Bell Mine & Granville Joint Venture:
J.M. Anderson

Eastern Mining Operations:
K.I. Hymas, general manager

Consulting Geologist, Operations:
W.R. Bergey

Afton Mine:
J. Lovering, manager

Beaverdell Mine:
B.E. Goetting, manager

Bullmoose Mine:
F. Koch, manager

Granville Joint Venture:
G.W. Klein, manager

David Bell Mine:
R.A. Ford, acting manager

Highmont Mine:
B.R. Williams, manager

Lamaque Mine:
E. Godbout, acting manager

Newfoundland Zinc Mine:
J.E. Hewitt, manager

Niobec Mine:
M.R. Rodrigue, manager

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